

Land of Sky Regional Council
August 23, 2017
Regular Meeting



Please mute all electronic devices, including cell phones, laptops, tablets, and recorders. Also, Delegates are requested to state their names when moving on orders of business. Thank you!

**REVISED
AGENDA**

- I. Call to Order
- II. Invocation
- III. Pledge of Allegiance
- IV. Roll Call
- V. Modification and Approval of Agenda
- VI. Public Comment
- VII. Recognition of Special Guests
- VIII. Chairman's Comments and Roundtable
- IX. Approval of Minutes from the June Regular Meeting
- X. Consideration and Approval of Consent Agenda Items
 - A. July FY2018 Treasurer's Report
 - B. FY 2017/2018 Family Caregiver Support Program Contracts
- XI. Presentations/Recognition
- XII. Old Business
- XIII. New Business
 - A. Pay and Compensation Study – Justin Hembree, Executive Director
- XIV. Executive Director's Report
 - A. Annual Banquet
 - B. Broadband Summit
 - C. Workforce Summit
 - D. NADO Innovation Awards
- XIV. Important Dates
- XV. Adjournment



BOARD OF DELEGATES AGENDA ITEM

- Subject:** June Board of Delegates Meeting Minutes
- Item Number:** IX. Approval of Minutes from the June Regular Meeting
- Responsible Party:** Zia Rifkin, Administrative Services
- Attachment(s):** Minutes from the meeting of June 2017
- Background:** Attached is the June 2017 Board of Delegates meeting minutes
- Staff Recommendation:** Recommend acceptance of the June meeting minutes.
- Suggested Motion(s):** Move to approve the June meeting minutes as submitted

Meeting of
Land of Sky Regional Council Board of Delegates
June 28, 2017

Minutes

- I. Call to Order – Chairman Larry Harris called the meeting to order at 1:00pm.
- II. Invocation - Charles Dickens gave the invocation.
- III. Pledge of Allegiance - All stood as Chairman Harris led the Delegates in the Pledge of Allegiance.
- IV. Roll Call – Justin Hembree called the roll. The following members were present: Larry Rogers, Gwen Wisler, George Goosmann, Jonathan Kanipe, Larry Harris, Maggie Tuttle, Anne Coletta, Alison Alexander, Patrick Fitzsimmons, Brenda Mills, Shelia Norman, George Morosani, Charles Dickens, and Gaylyn Justice. The following guests were present: Chief TJ Bates and Drew Christy. Justin Hembree announced a quorum was present to conduct business.
- V. Modification and Approval of Agenda – Anne Coletta moved to approve the agenda as presented. Brenda Mills seconded and that motion carried without further discussion.
- VI. Public Comment –
 - A. FY 2017/2018 Budget Hearing – Chairman Harris opened the FY 2017/2018 Budget Hearing. No public comments were heard and the Budget Hearing was closed.
- VII. Recognition of Special Guests – Chairman Harris recognized Chief TJ Bates. Jonathon Kanipe shared that Chief Bates has just begun duties as the new Police Chief in the Town of Biltmore Forest. Chairman Harris also recognized Drew Christy who is the Governor's Western Region Director. Drew Christy shared that he is very happy to let everyone know that the Governor now has a presence in the western counties.
- VIII. Chairman's Comments and Roundtable – Gwen Wisler – Shared that the City of Asheville will be breaking ground on the River Arts District Transportation Improvement Project (RADTIP); even with increased construction costs, the project continues to qualify for federal funding. Brenda Mills – Shared that the goal of the City regarding the RADTIP was 10% minority business participation, which was achieved. Anne Coletta – Shared that the Village of Flat Rock passed its budget with no tax increase. The municipality is also in the process of utilizing a grant from Duke Energy to install two electric charging stations at the Flat Rock Village Office. George Goosmann – Shared that the Town of Biltmore Forest amended its entire Charter to move to a Town Manager structure of government. Jonathan Kanipe – Shared that the Town of Biltmore Forest has a Fourth of July festival coming up next week. In addition, he shared that the Town passed its budget and is moving forward on current projects. Alison Alexander – Shared that the Town of Laurel Park adopted its budget last week without a tax increase. She also shared that the Town has authorized her to negotiate the sale of the water purchase agreement. In addition, she shared that the Town is excited about the NCDOT project for US 64 (Balfour Parkway), which runs through the Town. Finally, the Town Council plans to hold a hearing about a proposed new development; it is the first hearing since 2007. Maggie Tuttle – Shared that there is a lot happening in the Town of Black Mountain, its wall-to-wall people right now, which the Town loves. Charles Dickens – Shared that the Regional Aging Advisory Council will meet on July 13 in Transylvania County. Everyone is welcome to attend the meeting. Gaylyn Justice – Shared that the Senior Advisory Council is still fundraising through the sale of tickets for Asheville Tourist games. See a Volunteer staff to purchase tickets. Shelia Norman – Shared that in Transylvania County, Rise & Shine/Neighbors in Ministry has a summer camp that begins this week. She also shared that a private donor provided funds to take the Rise and Shine Scholars to see the Lion King. Additionally, the Ministry hopes to take the youth scholars to the Martin Luther King, Jr. Center in Georgia at the end of this summer. Patrick Fitzsimmons – Shared that the Town of Weaverville passed its budget with a slight tax increase. The Town is also working to overhaul its Ordinances.

- IX. Approval of Minutes from the May Meeting – George Goosmann moved to approve the minutes of the May meeting. Charles Dickens seconded and the motion carried without further discussion.
- X. Consideration and Approval of Consent Agenda Items – The Consent Agenda, consisting of Item A. May FY 2017 Treasurer’s Report was presented for consideration. Anne Coletta moved to approve the Consent Agenda as presented. Larry Rogers seconded and the motion carried without further discussion.
- XI. Presentations/Recognition -
- XII. Old Business
- XIII. New Business –

A. Fiscal Year 2017/2018 Budget Adoption – Justin Hembree reviewed the funding changes that have been incorporated into the final Budget Ordinance for FY 2017/2018. He noted that the total proposed budget the upcoming fiscal year is just over \$12.5 million, which is a decrease from the current year’s budget. In general, it is not unusual for LOSRC to see significant increases or decreases from year to year as the agency is primarily funded through federal allocations or specific grant projects which can create quite a bit of fluctuation. He directed the Board’s attention to the Revenue by Source that gives a snapshot of the revenues that are anticipated over the next fiscal year. Most of the federal allocations fund the Aging and Workforce Development (WFD) programs. In addition, there are state funds that are included in many of the programs administered through LOSRC. He noted the reduction in the budget for Non-Emergency Medicaid Transportation (NEMT) services as vendors would be paid directly by the state through the NCTracks system beginning July 1.

Justin Hembree reviewed the budget for each department with the Board. He noted that some of the uncertainty about the budget presented at the May meeting has been resolved. Actual numbers for a couple of Aging programs will come in after July 1. He shared that when looking at the structure of the LOSRC budget, a better picture of the health of the agency is provided when the first budget amendment comes before the Board. That amendment will have final funding numbers from federal sources and the state, etc. The first budget amendment also has the final level of carryover funding that programs can use for operations during the upcoming fiscal year.

Justin Hembree reiterated that uncertainty remains about some of the funding in the budget and he noted the proposal at the federal level to eliminate the Economic Development Administration (EDA) and the Appalachian Regional Commission (ARC). He explained that while it is not known, at this point, how this would turn out; there seems to be many options on the table at this point. Finance Director, Vickie Thomas communicated that EDA and ARC funding is allocated on a bi-annual basis so funding could be reduced in future fiscal years, but not the upcoming one.

Justin Hembree shared that Buncombe County is considering bringing the NEMT call center back as an in-house function. At this point, administrative staff do not know if or when that could happen, which creates questions about billing and letting staff know more details about the situation. While there is a lot of uncertainty at this point, more conversations need to be convened with the county. Not only would losing that contract have a major impact on the budget, but also, just as important, it would have an impact on the budget for the entire organization. He noted that LOSRC does not have a general fund; rather, indirect costs is charged by the agency to recover the cost of providing administrative services to the programs/staff. The indirect cost funding pays for the administrative expense including salaries. Administrative staff plan to meet this afternoon to talk about this with the county to see if the agency can provide assistance in determining the rates that the NEMT call center services is based on. Information will also be requested in order to make transitioning out of that program as smooth as possible, should that be necessary. Administrative staff also plan to meet with NEMT staff later this afternoon. The Board will be informed as details emerge about this situation.

Justin Hembree continued with the review of the FY17/18 Budget by sharing that there is a decrease in the Area Agency on Aging (AAA) budget; however, these are preliminary numbers that may change (actual numbers will be reflected in Budget Amendment #1 presented in the fall). He reviewed funding levels for WFD programs and shared that there was a 14% decrease over current year funding, which reflects that some funds in this year's budget were one-time grants/projects. The NEMT budget was reviewed and Justin Hembree shared that the big reduction in the contract reflects a change in how vendors would be paid starting July 1. Currently, LOSRC processes the invoices from transportation vendors and issues payment. With the start of the new fiscal year, vendors will be required to use the state's NCTracks system that will pay vendors directly. Under the current contract, LOSRC receives the funds from the county and then uses those funds to pay vendors for the program. The Board was reminded that Mountain Mobility is a vendor for the NEMT program and there are a couple of other large vendors that provide services to Medicaid recipients in Buncombe County. Lastly, Justin Hembree shared about the budget for Waste Reduction Partners (WRP), which provides services to private and public entities to assist in reducing the amount of waste that goes to landfills. As the WRP program has grown over the years, they have worked with municipalities including the City of Durham and the City of Asheville (long-term contract). Using retired engineers to provide energy audits allows WRP to provide services throughout the state. Housed under the LOSRC umbrella, the agency recovers indirect costs associated with running the program.

Justin Hembree proceeded with the review of the FY17/18 Budget and he shared about Member Government Assessments. He communicated that some counties choose to pay dues based on the population in the unincorporated areas and municipalities pay their own dues. In Buncombe County, dues are paid on the entire population of the county. In addition, he mentioned the match funds for the Metropolitan Planning Organization (MPO) and the Rural Planning Organization (RPO). He communicated that NCDOT increased the level of funding for rural transportation planning which necessitated an increase in the local match required from rural jurisdictions in the transportation region (includes Haywood County). The Board was informed about how local dues are used by LOSRC, which includes expenditures for local funding, supporting regional events, conference expense, etc. for staff development. The agency also uses funds to pay dues to the National Association of Development Organizations (NADO) and the SouthEast Regional Directors Institute (SERDI). Some funds are set aside for the annual dinner and publishing the annual report. Holiday bonuses are also included in local dues funding, along with some additional funds for staff travel and training. He also noted the specific matches that are required by some grant programs such as the Broadband grant funded through ARC. He shared that \$90,000 in matching funds leverages a much larger portion of funds that come into the region. Local match funds provided from Aging funding support the Ombudsman program. The three Ombudsmen at LOSRC provide important services and advocacy for residents of assisted living facilities and adult care homes in the four county region. Lastly, Justin Hembree communicated that on the expenditure side of the budget are the match funds for the RPO. He stated that the recommendation is to adopt the proposed FY17/18 Budget, recognizing that there is still uncertainty regarding some of the funding.

George Morosani moved to adopt the FY2017/2018 Budget Ordinance as presented. George Goosmann seconded and the motion carried as all were in favor.

XIV. Executive Director's Report –

A. Annual Dinner - Justin Hembree announced October 25 as the date of the Annual Celebration. He communicated that this is the same day as the October Council meeting, which will be canceled in order for Board members to better facilitate their travel to the annual event.

B. Second Annual BGO and Open House – Justin Hembree shared that the Second Annual BBQ and Open House will be held July 26 beginning at noon. He encouraged Board members to share the invitation with elected officials, town staffs and anyone interested in attending the event. Folks are requested to RSVP by July 24.

Chairman Harris commented that Justin Hembree would be the BBQ Master again this year.

- XV. Important Dates – The next Board meeting will be Wednesday, August 23, 2017 and will be held in Laurel Park at the First Congregational Church located at 1735 Fifth Avenue West, Hendersonville, NC 28739. The church is located diagonally across the street from Town Hall.
- XIV. Adjournment – George Goosmann moved to adjourn the meeting. Anne Coletta seconded and the meeting stood adjourned.



BOARD OF DELEGATES AGENDA ITEM

- Subject:** July FY2017 Treasurer's Report
- Item Number:** XI. Consent Agenda, Item A
- Responsible Party:** Vickie Thomas, Finance Director
- Attachment(s):** July FY2017 Treasurer's Report
- Background:** Attached is the July FY2017 Treasurer's Report. The report outlines year-to-date revenues and expenditures. Also included is cash balance information, fund balance reporting, and member dues information.
- Staff Recommendation:** Recommend acceptance of July's FY2017 Treasurer's Report.
- Suggested Motion(s):** The Treasurer's Report, if not pulled, will be accepted as part of the motion to approve the consent agenda.

**Land of Sky Regional Council
Treasurer's Report
July, 2017**

	<u>Amount</u>	% of Budget
<u>YTD Report of Receipts & Expenditures</u>		
Total Annual Budget	<u>\$ 12,515,870</u>	
Year-to-Date Revenues	\$ 666,992	5.33%
Year-to-Date Expenditures	(227,643)	1.82%
Grant/Contract Cash Balance	<u>\$ 439,349</u>	
Year-to-Date Target Percent		8.33%

Cash Balance Report

Total Cash Balance at beginning of month	\$ 2,108,599
Cash Received during month	1,035,042
Cash Expenditures for month	<u>(896,812)</u>
Total Cash Balance at end of month	<u>\$ 2,246,829</u>

Fund Balance Report at 6/30/16 (Audited)

Unassigned	\$ 895,868
Restricted-Stabilized by State Statute	899,274
Total Fund Balance	<u>\$ 1,795,142</u>

Assessments (Dues) Report

YTD Billed to Member Governments, 1st quarter	\$ 55,440
Collected to Date	(48,768)
Balance Due	<u>\$ 6,672</u>



COUNCIL AGENDA ITEM

- Subject:** Family Caregiver Support Program Contracts with Service Providers for FY 2017-2018
- Item Number:** X. Consent Agenda; Item B.
- Responsible Party:** Carol McLimans, Family Caregiver Resource Specialist
- Attachment(s):** Chart listing providers and award amounts
- Background:** The Family Caregiver Support Program (FCSP) contracts with agencies to provide or coordinate respite and care management for family caregivers in Buncombe and Henderson Counties.
- The FCSP has contracted with these service providers for this purpose since 2001
- Contracted providers are monitored at least every other year to ensure that they are meeting contractual requirements and expending their funds in a timely fashion.
- The total amount of funds that will be committed via these contracts will not exceed \$50,000. Land of Sky Regional Council receives a combination of federal and state funding for FCSP services under Title III-E of the Older Americans Act.
- A chart listing the service provider, contract amount, service to be provided, and county or counties to be served by that contract is attached
- Land of Sky Regional Council will provide caregiver respite and care management services directly in Madison and Transylvania Counties under a waiver from The North Carolina Department of Aging and Adult Services.
- Staff Recommendation:** Approval to enter into contracts for services to begin July 1, 2017 and to amend these contracts if necessary to meet changes in federal or state requirements and to ensure that all of this funding is expended through the provision of FCSP services.
- Suggested Motion(s):** Move to approve the Family Caregiver Support Program to Contract with Service Providers for FY 2017-2018.

Providers selected to receive the Family Caregiver Support Program grants for FY 2017-2018 are shown in the table below.

Provider	Service	Award Amount	To serve caregivers in
Council on Aging of Buncombe County, Inc	Caregiver Respite	\$ 23,000.00	Buncombe County
	Care Management	\$6,000.00	
Council on Aging of Henderson County	Caregiver Respite	\$17,000.00	Henderson County
	Care Management	\$4,000.00	

The Family Caregiver Support Program is funded by the US Administration on Aging and the North Carolina Division of Aging and Adult Services.

Total for contracted caregiver support services for FY 2018-\$50,000.00



COUNCIL AGENDA ITEM

- Subject:** Pay and Compensation Study: Report and Recommendations
- Item Number:** XIII. New Business: Item A.
- Responsible Party:** Justin Hembree, Executive Director
- Attachment(s):** Pay and Classification Report
Recommended Compensation Philosophy
Recommended Salary Schedule
Recommended Implementation/Budget Adjustment
- Background:** Land of Sky Regional Council (LOSRC) has been involved in a Pay and Compensation Study conducted by Piedmont-Triad Regional Council. The study has concluded and the report and recommendations for implementation of the study will be reviewed with Board members.
- Staff Recommendation:** Approve the report and the accompanying recommendations for implementation.
- Suggested Motion(s):** Move to approve the Pay and Classification Report including the recommended Compensation Philosophy, Salary Schedule, and Budget Adjustment necessary for implementation.



PIEDMONT TRIAD REGIONAL COUNCIL

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MATTHEW L. DOLGE • EXECUTIVE DIRECTOR

Classification and Pay Study
Land of Sky Regional Council
June 5, 2017



Prepared and Presented By

Piedmont Triad Regional Council
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Mr. Justin Hembree, Executive Director
Land of Sky Regional Council
339 New Leicester Highway, Suite 140
Asheville, North Carolina 28806

June 5, 2017

RE: Pay Plan and Classification Study

Dear Mr. Hembree,

On behalf of the Piedmont Triad Regional Council, we thank you for the opportunity to conduct the Pay Plan and Classification Study for the Land of Sky Regional Council (LOSRC). The report which follows represents an analysis of the LOSRC's present position classification system and pay plan. It includes our methodology with respect to pay comparisons with competing labor markets and recommendations on amending LOSRC's existing Pay Plan. Also included are recommendations for changes in the grade assignment to individual position classifications and/or proposed employee pay changes.

The effectiveness of a public entity is measured in several ways. Two of the most important measurements are the stewardship of public dollars and the delivery of services to citizens. The information contained in this report is based on a comprehensive review and comparable analysis of LOSRC's classification system to those previously identified regional councils and local government entities. The analysis provides the data necessary to ensure LOSRC's salary grade structure remains competitive with other employers in the market area, favorably positioning LOSRC to attract well qualified new employees as well as retain existing staff sufficient to meet service delivery requirements.

I appreciate the hospitality and cooperation extended to me from everyone at LOSRC, especially during the completion of the Position Analysis Questionnaires and the follow-up employee interviews.

Respectively Submitted,

David Hill

Management Analyst
Piedmont Triad Regional Council

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I. Overview

Piedmont Triad Regional Council (PTRC) was contracted to conduct a Pay and Classification study for each approved and budgeted position to determine the effectiveness of LOSRC’s pay plan and analyze each position for correct placement within the pay plan.

A pay and classification system establishes the basis by which employees are compensated and periodic studies will ensure external competitiveness and internal equity. The external competitive analysis focused on those geographically based peer entities that were identified as being 1) similar in size and/or services provided, 2) similar in job functions, and 3) competitors for talent. Those identified and surveyed regional councils and local government entities were:

Cities:	Counties:	Regional Councils:	
Asheville	Buncombe	Centralina	Triangle J
Brevard	Henderson	High Country	Upper Coastal Plain
Hendersonville	Transylvania	PTRC	WPCOG
		Southwestern	

A formal job analysis of each position was completed to gain an understanding of the scope of responsibilities and the major job functions associated with each job. Employees completed a Position Description Questionnaire (PDQ) which was reviewed by the employee’s supervisor and department director. The PDQ review and approval was followed by a comprehensive analysis of the data and information contained within each PDQ. Individual interviews were conducted providing an opportunity for employees to become engaged in the process and ensure we had a full understanding of the uniqueness of each position. After submission of the preliminary data a meeting was held with the Executive Director and Deputy Director to provide an overview and discussion of the preliminary study results and recommendations.

The relevancy of an effective market based pay plan lies within the administration and methodology of establishing starting salaries for new employees and the systematic means by which experienced employees may advance across the salary range. Without an approved Pay Plan and salary administration methodology there will typically be a lack of consistency in salary administration as it relates to the establishment of new employee salaries as well as the systematic advancement of experienced employees. To that end, a recommended Pay Plan with established pay grades and pay ranges is included in this report.

As LOSRC continues to serve an expanding geographic population, it will be imperative for LOSRC to offer competitive salaries to attract the best possible talent. In order to remain geographically competitive and to ensure all jobs are properly classified and compensated, the pay and classification system must be properly maintained. To ensure this proper maintenance, a periodic and ongoing process is needed to review job responsibilities and that each individual job

has a proper pay grade assignment. This, in conjunction with an effective employee performance evaluation system will provide overall performance management for LOSRC, each Department and each individual employee.

II. Methodology

The following methodology was utilized to achieve the project recommendations:

Methodology for Position Classification:

- Initial meetings and communications included meeting with the Executive Director and Deputy Director to clarify potential issues regarding the full scope of work as well as establish the study schedule, procedures, goals, and project deliverables.
- The Deputy Director provided necessary and timely reports and documentation to assist in developing a full understanding of LOSRC's present position classification structure.
- Employee kick-off meetings were held to give employees an overview of the study process as well as instructions on the importance and completion of the Position Description Questionnaire (PDQ).
- Employee position information generated by the PDQs was supplemented by employee and supervisor interviews to ensure we received complete and accurate information regarding LOSRC positions.
- Collected data was analyzed to identify job families and to define the scope and different levels of work within each job family. Typical duties, knowledge, skills, abilities and other job-related characteristics were identified as required to perform the work. Based on this data, initial classification concepts and recommendations were produced and designed to appropriately describe the body of work being performed by employees.
- PTRC utilizes the whole job comparison method of job evaluation. The duties and responsibilities of individual positions are evaluated to determine their relative level of difficulty and responsibility. The following factors were used in the project:
 - Knowledge, skills, and abilities required
 - Difficulty, complexity, and variety of work performed
 - Decision making and judgment
 - Consequence of error
 - Nature, type, and significance of public contacts
 - Supervision given
 - Supervision received
 - Working conditions

- Each classification and employee interview was evaluated to ensure the content and titles were current, accurate, and consistent with the Fair Labor Standards Act and Equal Employment Opportunity and Americans with Disabilities Act considerations.
- A meeting was held with the Executive Director and Deputy Director to review the preliminary findings and recommendations as well as to solicit review and comments.
- Issues or concerns expressed in the preliminary meetings were reviewed and discussed.
- Study results and recommendations were completed and are presented to the Executive Director and Deputy Director by way of this report.
- Finalized study results and recommendations will be scheduled for presentation.

Methodology for Pay Plan:

- Identified the relevant job market to base the comparative pay plan analysis. Primary emphasis was on those who are natural competitors for local workforce talent or who are similarly sized and comparatively staffed regional councils and local governments.
- Conducted the customized market salary survey focusing on identified benchmark positions within the workforce.
- Analyzed survey data and recommended a pay plan structure including pay grades and pay grade ranges as well as placement of individual classes within each pay grade.

III. Initial Workforce Analysis

The Land of Sky Regional Council has a relatively mature workforce based on average length of total service; however, approximately 48.8% of the workforce have been employed less than 5 years with 43.9% employed three years or less.

The average length of employment is 8.2 years; however, that average is inflated by two employees with 36 years' employment and one employee with 40 years. With a relatively mature workforce an employee with 8 or more years' experience in their classification (and performing their job with demonstrated proficiencies and competencies) would be expected to be earning between 12% - 14% above the hiring rate of their salary grade. The average percentage above salary grade hiring rate is 8.2%. Additionally, 59.5% of employees have salaries less than 10% above their pay grade hiring rate salary and 67.7% have salaries less than the market value (mid-point) for their salary grade. These percentages reflect a relatively mature workforce with employee salaries significantly compressed at less than 10% above the hiring rate. Among the causes are the number of relatively new employees or; perhaps, a lack of opportunity for advancement or compensation policy and implementation practices sufficient for employees to advance to the market grade midpoint of their salary grade. Heavily impacting the above percentages is a salary grade range, from hiring rate to maximum, of only 27.5%. The average market salary grade range is approximately 55%. Comparing these two range spreads, 27.5% vs 55%, a Land of Sky employee reaching their salary grade maximum would, almost anywhere else, just be reaching the midpoint of their salary range.

Note: the following workforce analysis information is based solely on the workforce demographics at the beginning of the pay and classification study and does not include any data associated with the pay and classification study. The pay and classification study data begins with section V of this report.

The following charts provide a graphical representation of LOSRC's workforce as it applies to Grade/Salary Assignment, Employment Date, as well as other workforce analytics at the beginning of the study.

Chart One

Employee Salaries as Percent Above Salary Grade Hiring Rate

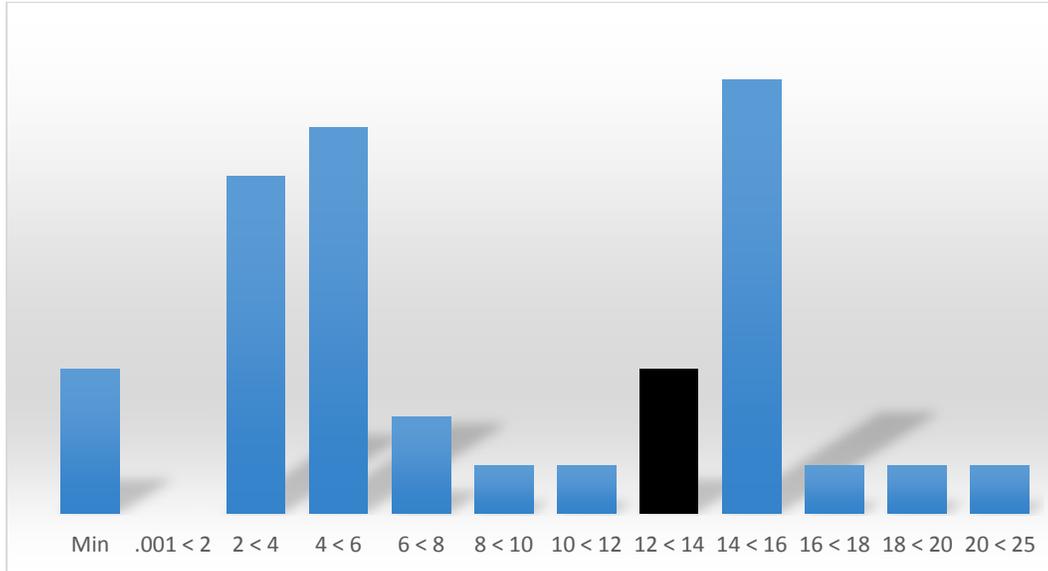


Chart One: This chart illustrates employee current annual salaries as a percentage above the hiring rate for each pay grade.

Each bar represents a range of 2%

- First Bar reflects all salaries at the hiring rate
- Second Blank reflects all salaries at least .01% but less than 2% above hiring rate
- Third Bar reflects all salaries at least 2% but less than 4% above hiring rate, etc

With Land of Sky's 27.5% salary range (hiring rate to maximum of each pay grade) the mid-point for each pay grade is 13.75% above hiring rate (Black Bar).

The graph shows that 59.5% of employees have salaries less than 10% above their salary grade hiring rate.

Chart Two

Employees by Years of Employment

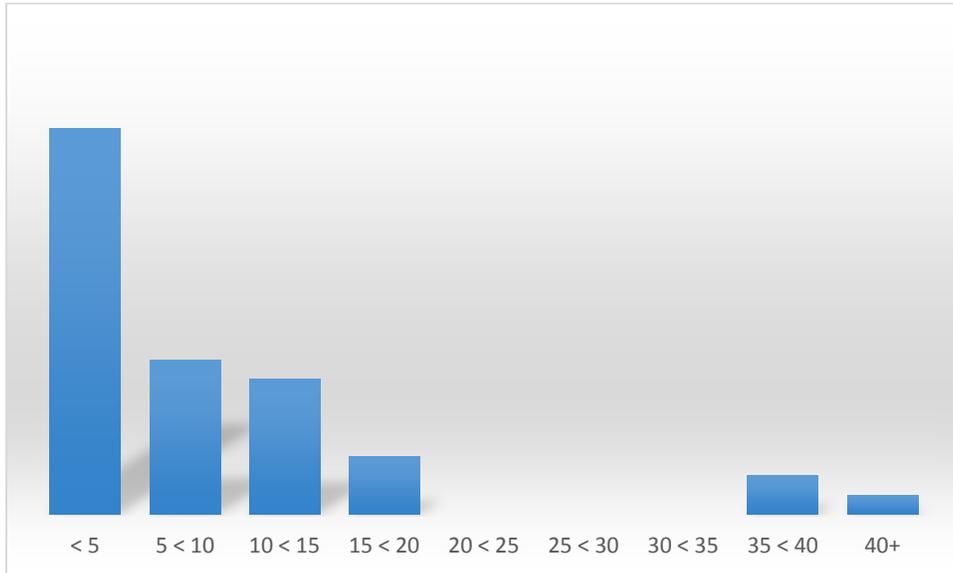


Chart Two: This chart reflects all regular full-time employees based on their years of employment.

Although Land of Sky has a number of long serving employees, nearly half of employees have been employed less than 5 years (48.8%) and those employed less than 10 years is 68.3% of the workforce.

Chart Three

Average Salaries of Market Study Group

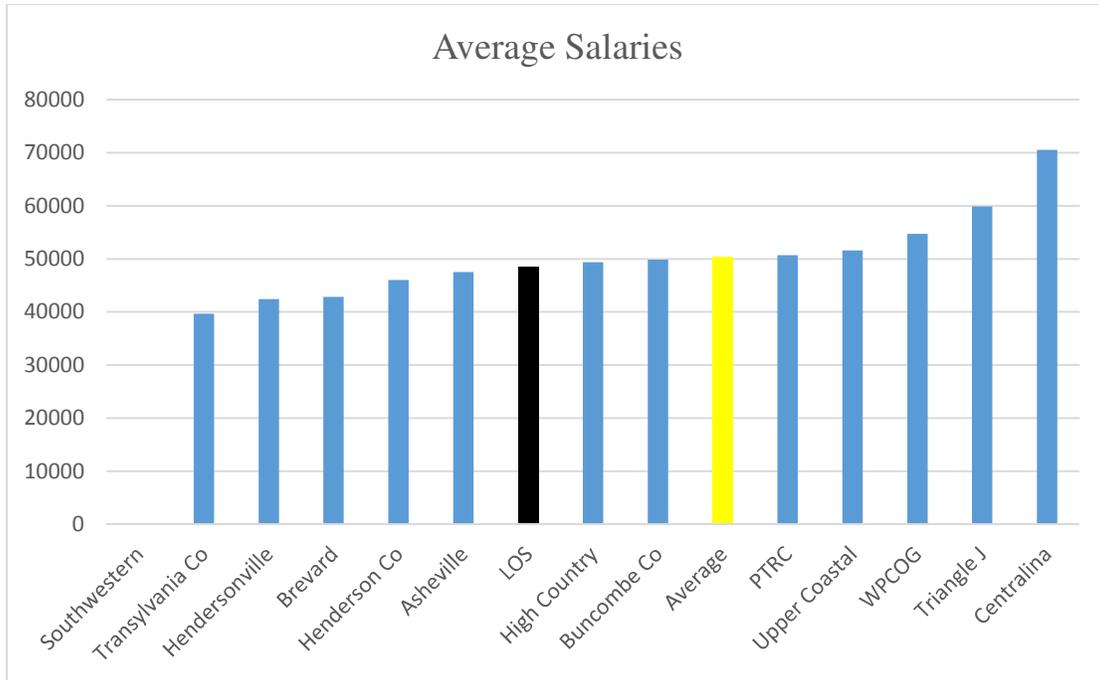
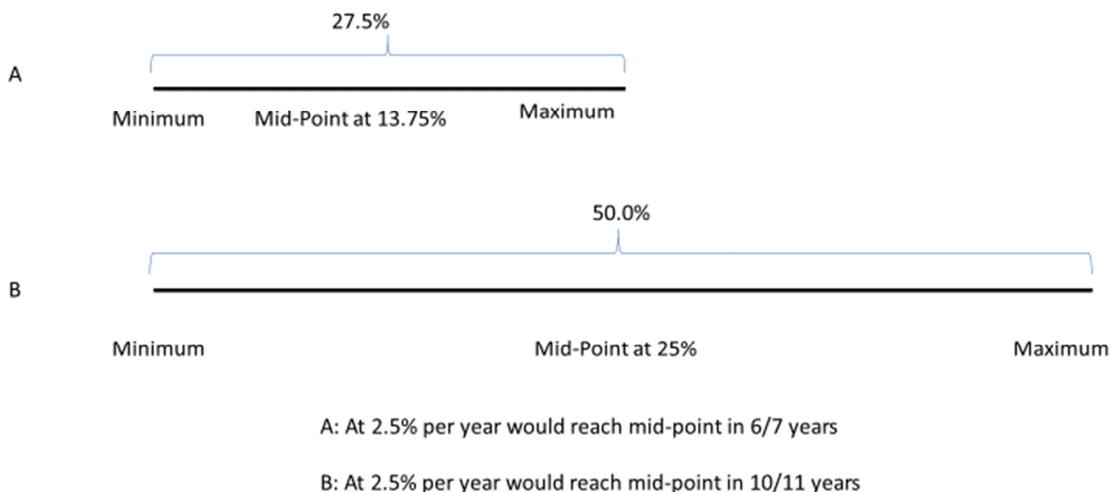


Chart Three: This chart shows the average annual base salaries of the local governments and regional councils included in the study. LOSRC’s average annual base salary of \$48,556 is 3.56% below the study group when compared to the overall average of \$50,283. Southwestern Regional Council provided their pay plan and position classification data for the study; however, they have not, yet, provided their actual salary data.

IV. Salary Grade Ranges

Convert the Current Salary Range to be Market Competitive

The current salary range of 27.5% places LOSRC at a market competitive disadvantage, especially for longer serving employees. The Mid-Point of any salary range is the established Market Rate/Value for each classification and is the salary a competent, well performing employee should be earning after approximately 10 years of employment. LOSRC's current Salary Schedule places the "job rate" for each position at 10% above the salary grade minimum and an employee can reach that salary level after approximately 4 years of employment. Chart One, in Section III, shows that approximately 60% of employees have salaries less than 10% above their salary grade minimum. While the average salary of LOSRC's employees is only 3.56% below the overall average of the market study group it is 15.8% below the average salary of the Regional Councils included in the study. If the salary data of the non-comparable classifications from the local governments was eliminated from the average salary calculation, LOSRC would be greater than 3.56% below the average and would probably be closer to the 15.8% differential to the Regional Councils.



Example "A" represents LOSRC's current salary range of 27.5% (from the minimum salary to the maximum). Example "B" represents the typical 50% range. As can be seen from the graphic, a LOSRC employee could reach their grade maximum salary while a similar employee elsewhere is reaching the Mid-Point of their salary range.

V. General Recommendations

Develop and Adopt a Salary Administration Philosophy

A Salary Administration Philosophy is similar to a Mission and Vision Statement. It creates and supports a methodology of horizontal and vertical movement of employee compensation toward the Midpoint (Market Value) of an employee's salary range. A few examples would include:

- Performance Based Salary Adjustments
- Professional Development (employee incentive adjustments for education or certification attainment)
- Annual Salary Adjustments as a factor of length of employment (Longevity)

Administer Market-Based Salary Administration Practices

- A new Salary Schedule should be adopted and implemented that better reflects the market. The current grade range (hiring rate to maximum) of 27.5% places LOSRC at a salary administration disadvantage compared to the market range average of 50+%.
- Provide consistent salary grade differential throughout the Salary Schedule. The current Salary Schedule provides for a consistent 5% differential between each grade from grades 1 through 20; however, from grade 21 through grade 31 the differential reduces to 4.3%. Adopting the recommended Salary Schedule provides for a consistent 5% grade differential between each salary grade.
- Presently, the “job rate” for each classification is set at 10% above the “hiring rate” with automatic 2.5% probationary and annual salary adjustments until the employee reaches “step 5” in the fourth year of employment. With the expansion of the salary grade ranges from the present 27.5% to the recommended 50% the “job rate” or “market rate/value” of the positions is established by the market at 25% above the salary grade minimum rate.
- Continue the current practice of advancing an employee by 2.5% for each year of service until they reach the Mid-Point of their recommended salary grade. Thereafter, consider performance evaluations (merit) as the means of salary advancement beyond the Mid-Point. Alternatively, for employees whose salaries are above the Mid-Point, provide salary adjustments in the form of lump-sum payments rather than additions to annual salary.
- The term “hiring rate” should be eliminated and would become the new salary grade minimum in the proposed schedule.

- Consider adjustments in the Salary Schedule only when the entry level salaries (or market rate salaries) of a significant portion of the benchmark classifications are no longer competitive. For individual classifications which are not competitive, LOSRC should use the recognized practice of reclassification (change in grade level) for specific job roles to ensure competitive salaries without the need to revise the entire Salary Schedule. A full compensation plan review should be conducted not later than every 3 - 4 years with interim adjustments in certain classes and/or class series.
- The focus of salary administration should be on the competitive minimum salaries as well as the midpoints (market values) of each job classification. Employees with compa-ratios in the .95 to 1.05 range (employee salary divided by the grade midpoint) should be considered “at market” relative to the salary grade midpoint. We also recommend employees with compa-ratios greater than 1.15 should have future salary adjustments given as lump-sum payments until the next salary schedule is adjusted and their annual salary falls below 1.15.
- The maximum rate for a given classification is the end of the range for a salary grade. This rate should not be construed as the “top rate” to which an employee aspires since salary ranges move up over time and any rate associated with the grade range will change as well. Instead, the focus of salary administration should be on minimums to attract employees, as well as market rates (midpoints) with advancement beyond midpoints dependent on total service and performance of employees, and not the passage of time.

Note:

1. Not all employees will receive a salary increase with this proposal
2. If an employee’s salary in a job classification is below the new salary grade minimum, their salary will be advanced to the new grade minimum, regardless of length of service. In some circumstances, the minimum salary for employees in certain job classifications may be increased by 5% or more. This is primarily due to the grade and range being incorrectly aligned to the market for that particular job role.

VI. Implementation Recommendations

A. Adopt the recommended Pay Plan (see Proposed Pay Plan)

Employees would be placed in the appropriate market based salary grade either at the minimum of the recommended pay grade, or retain their current salary, **whichever is higher**.

Option I

New Grade Minimums	48,472.00
Added 18% costs (FICA, retirement, etc)	8,725.00
Total Option I	57,197.00

B. Adopt the compensation component (recommendations to address salary compression) recognizing the employees' time in service to LOSRC. Option II provides for 2.5% for each year of service while Option III provides for 2.0% for each year of service.

Option II (Recommended)

New Grade Minimums	48,472.00
Years of Service @ 2.5% per year	201,069.00
	<u>249,541.00</u>
Added 18% costs (FICA, retirement, etc)	44,918.00
Total Option II	294,459.00

Option III

New Grade Minimums	48,472.00
Years of Service @ 2.0% per year	179,561.00
	<u>228,033.00</u>
Added 18% costs (FICA, retirement, etc)	41,046.00
Total Option III	269,079.00

The preceding funding requirements for each proposal are rounded and include salary adjustments plus 18% for FICA, Retirement, 401(k), etc. The actual required funding requirements will fluctuate up to the time of approval and implementation as employees terminate, are employed, are promoted, etc. The required funding amount will also fluctuate slightly based on the specific percentage required for FICA, Retirement, 401(k), etc. For purposes of this report we estimated that requirement at 18%

The recommendation for implementing changes for individual employees is provided in a separate spreadsheet submitted to the Executive Director and Deputy Director.

VII. Proposed Pay Plan

<u>Grade</u>	<u>Job Classification Title</u>	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>	<u>FLSA</u>
10	Not assigned	22,068	27,585	33,102	N
11	Not assigned	23,171	28,964	34,757	N
12	Not assigned	24,330	30,412	36,495	N
13	Not assigned	25,547	31,934	38,321	N
14	Transit Program Assistant	26,824	33,530	40,236	N
15	Not assigned	28,165	35,207	42,248	N
16	Senior Transit Program Assistant	29,573	36,967	44,360	N
17	Not Assigned	31,052	38,815	46,578	N
18	Mobility Specialist	32,605	40,756	48,906	N
19	Administrative Support Specialist	34,235	42,794	51,353	N
20	NEMT Specialist	35,947	44,934	53,921	N
20	Payroll Specialist	35,947	44,934	53,921	N
21	MIS Specialist	37,744	47,180	56,616	N
21	Transportation Accounting Specialist	37,744	47,180	56,616	N
22	Not Assigned	39,631	49,539	59,447	N
23	Aging Specialist/Contracts	41,613	52,017	62,420	N
23	Business Services Coordinator	41,613	52,017	62,420	N
23	Foster Grandparent Program Manager	41,613	52,017	62,420	N
23	Long-Term Care Ombudsman I	41,613	52,017	62,420	N
23	NEMT Lead Specialist	41,613	52,017	62,420	N
23	Senior Community Srvs Employ Prog Mgr	41,613	52,017	62,420	N
24	Aging Specialist/HPDP	43,694	54,618	65,541	N
24	Family Caregiver Specialist	43,694	54,618	65,541	N
24	Long-Term Care Ombudsman II	43,694	54,618	65,541	N
24	Planner I	43,694	54,618	65,541	N
24	Project C.A.R.E. Manager	43,694	54,618	65,541	N
24	Senior Companion Program Manager	43,694	54,618	65,541	N
25	Accounting Manager	45,879	57,349	68,819	N
25	Long-Term Care Ombudsman III	45,879	57,349	68,819	N
26	GIS Manager	48,173	60,217	72,260	N
26	Planner II	48,173	60,217	72,260	N

<u>Grade</u>	<u>Job Classification Title</u>	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>	<u>FLSA</u>
27	Communications and Admin Srvs Coord	50,582	63,228	75,873	N
28	Planner III	53,111	66,389	79,667	N
29	Not assigned	55,767	69,709	83,651	N
30	Not assigned	58,555	73,194	87,833	N
31	MPO Director	61,483	76,854	92,225	E
32	Mountain Mobility Manager	64,557	80,697	96,836	E
32	NEMT Manager	64,557	80,697	96,836	E
33	Not assigned	67,785	84,731	101,677	E
34	Aging and Volunteer Services Director	71,174	88,968	106,761	E
34	Economic and Community Dev. Director	71,174	88,968	106,761	E
34	Finance Director	71,174	88,968	106,761	E
34	Workforce Development Director	71,174	88,968	106,761	E
35	Not assigned	74,733	93,417	112,100	E
36	Deputy Director	78,470	98,088	117,705	E
37	Not assigned	82,394	102,993	123,591	E
38	Not assigned	86,514	108,143	129,771	E
39	Not assigned	90,840	113,550	136,260	E
40	Not assigned	95,382	119,228	143,073	E

Notes:

- Employees subject to the Federal Fair Labor Standards Act (FLSA) and in classifications with FLSA status “N” are subject to the overtime provisions requiring the payment of overtime (or equivalent compensatory time) at the rate of time and one-half (1.5 times) the employee’s regular weekly rate after the employee has worked more than 40 hours in the employer’s official work week, not the employee’s work schedule. Paid time off for various leaves, holidays, or other paid absences are excluded in calculation of overtime.
- Employees in classifications with FLSA status “E” are exempt (not subject to) from the overtime provisions of the Federal Fair Labor Standards Act. Additional subcategories of exemptions may be identified on the basis of the exemption such as E-A (Administrative), E-P, (Professional), E-C (Computer Professional), and E-E (Executive)

VIII. Proposed Classification Titles and Grades

Alphabetical Listing

<u>Job Classification Title</u>	<u>Grade</u>
Accounting Manager	25
Administrative Support Specialist	19
Aging and Volunteer Services Director	34
Aging Specialist/Contracts	23
Aging Specialist/HPDP	24
Business Services Coordinator	23
Communications and Admin Services Coordinator	27
Deputy Director	36
Economic and Community Development Director	34
Executive Director	39*
Family Caregiver Specialist	24
Finance Director	34
Foster Grandparent Program Manager	23
GIS Manager	26
Long-Term Care Ombudsman I	23
Long-Term Care Ombudsman II	24
Long-Term Care Ombudsman III	25
MIS Specialist	21
Mobility Specialist	18
Mountain Mobility Manager	32
MPO Director	31
NEMT Lead Specialist	23
NEMT Manager	32
NEMT Specialist	20
Payroll Specialist	20
Planner I	24
Planner II	26
Planner III	28
Project C.A.R.E. Manager	24
Senior Community Srvs Employ Programs Manager	23
Senior Companion Program Manager	24
Senior Transit Program Assistant	16
Transit Program Assistant	14
Transportation Accounting Specialist	21
Workforce Development Director	34
* If included in the salary schedule	

IX. Definitions of Salary Survey Terms

<u>Terms</u>	<u>Description</u>
<u>Average</u>	The arithmetic mean of several reported salaries for a specific job classification (e.g., average salaries of all Firefighters as a class).
<u>Median</u>	The middle value (number) in a series of values in which half the values are above the middle number and half the values below the number.
<u>Compa-Ratio</u>	The relationship (expressed as a decimal) between an employee's actual annual salary and the midpoint (market value) of the assigned pay grade (salary divided by the range's midpoint). The midpoint is represented as 1.00. Employee salaries below the midpoint are less than 1.0, and (e.g., .80, .95, etc) and salaries above the midpoint are shown as 1.05, 1.10, etc, indicating a higher value to the midpoint (1.0).
<u>Market Rate</u>	The "market rate" for any job classification is determined by surveying other employer salaries for employees with similar skills and experience. This includes existing employees and new employees who may often have qualifications exceeding recent new hires. Market rates generally signify someone who is fully knowledgeable and tenured with the requisite experience, education, and years of consistent levels of performance. Salaries at this level should correspond to the median (+/- 5%) or averages of competitors surveyed. Market rates vary by job classification, industry, location, and size of employer.
<u>Grade Differential</u>	The percentage increase from a lower pay grade to the next highest pay grade. Typically, 5% from one pay grade to the next highest pay grade.
<u>Minimum</u>	The beginning or entry salary for each salary grade. Typically, this is 25% less than the Midpoint on a 50% salary range.
<u>Midpoint</u>	The arithmetic average of the minimum salary and maximum salary for each salary grade. Typically represents the "Market Value" (+/- 5%) of the positions assigned to each salary grade.
<u>Maximum</u>	The last or ending salary for each salary grade. Typically, this is 20% greater than the Midpoint on a 50% salary range.
<u>Range</u>	The arithmetic value of the difference between the minimum of a salary grade to the maximum of the salary grade represented as a percent.
<u>Pay Plan</u>	A listing of market based salary grades and ranges including the assignment of classifications to each pay grade.
<u>Salary Schedule</u>	An interchangeable term for Pay Plan.



TOTAL COMPENSATION PHILOSOPHY

The purpose of Land of Sky Regional Council's Total Compensation Program is to create a system that supports the Council's mission and values. We believe our Program is a management tool that, when aligned with effective performance management strategies, is designed to support, reinforce and align our values, business strategy, operational and financial needs with a goal of superior customer service. Our Program is designed to attract, motivate and retain employees who drive the Council's success.

Our Total Compensation Program is structured around six key areas:

- Sound stewardship of public funds
- Base pay that attracts and retains high-performing employees
- Access to health insurance
- Contributions toward a sound retirement plan
- Professional development opportunities that contribute to personal and organizational growth
- Practices that support an effective and flexible workplace

All aspects of the Council's Total Compensation Program comply with and meet at least minimum requirements of all applicable federal and state laws.

Stewardship

We recognize, as stewards of public funds, our Total Compensation Program must align with and recognize the Council's responsibility to those we serve in a manner that supports long-term financial stability and the best use of funds entrusted to us.

Base Pay

Base pay is the primary component of the Council's Total Compensation Program. We recognize that a highly qualified and experienced workforce saves money through efficiencies, higher quality of service and decreased turnover. Therefore, when employees are fully proficient and meeting expectations, we strive to provide each employee a base salary that meets market value (the mid-point of that applicable pay range). We believe that employees consistently performing above expectations and who are proficient in their role should be rewarded with a higher base salary. Employees who are new to their role and/or not meeting expectations would be paid below market value. Generally, employees should be fully proficient in their roles after eight to 10 years.

The Council may also use incentive, longevity and/or career development pay as a way to meet the Council's strategic goals. Such pay may be available to some employees and will be based on individual performance, base pay in relation to market value, years of service and other performance-based factors.

Health Insurance

We recognize that a healthy workforce is a productive workforce. The Council offers an employer paid health insurance program for employees. The Council strives to balance the quality of health insurance offered to employees with the financial wellbeing of the organization. The Council also offers employer paid dental, vision, disability and life insurance for employees.

Retirement Plan

We recognize the importance of supporting the future economic security of our employees. The Council participates in the NC Local Government Employees Retirement System and NC401K Plan. Optional employee-paid retirement plans are also available.

Professional Development

We recognize that professional development contributes to the engagement and satisfaction of employees and prepares our workforce to meet the current and future needs of the Council. When program funds are available, the Council encourages and financially supports the ongoing professional development of employees and the culture of life-long learning.

Flexible Workplace

We recognize the importance of a healthy work-life balance and, in turn, strive to provide employees with the flexibility to earn a living while managing personal commitments. The Council provides organizational practices, programs and policies that create a framework for employees to balance work, family and community involvement.

Proposed Salary Schedule

<u>Grade</u>	<u>Job Classification Title</u>	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>	<u>FLSA</u>
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23	Business Services Coordinator	41,613	52,017	62,420	N
23	Foster Grandparent Program Manager	41,613	52,017	62,420	N
23	Long-Term Care Ombudsman I	41,613	52,017	62,420	N
23	NEMT Supervisor	41,613	52,017	62,420	N
23	Senior Community Srvs Employ Prog Mgr	41,613	52,017	62,420	N
24	Aging Specialist/HPDP	43,694	54,618	65,541	N
24	Family Caregiver Specialist	43,694	54,618	65,541	N
24	Long-Term Care Ombudsman II	43,694	54,618	65,541	N
24	Planner I	43,694	54,618	65,541	N
24	Project C.A.R.E. Manager	43,694	54,618	65,541	N
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34	Finance Director	71,174	88,968	106,761	E
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35	Not assigned	74,733	93,417	112,100	E
36	Deputy Director	78,470	98,088	117,705	E
37	Not assigned	82,394	102,993	123,591	E
38	Not assigned	86,514	108,143	129,771	E
39	Not assigned	90,840	113,550	136,260	E
40	Not assigned	95,382	119,228	143,073	E



BOARD OF DELEGATES AGENDA ITEM

Subject: Executive Director's Report

Item Number: XIII. Executive Director's Report

Responsible Party: Justin Hembree, Executive Director

Attachment(s):

Background: The following items will be presented as part of the Executive Director's Report:

- A. Annual Banquet
- B. Broadband Summit
- C. Workforce Summit
- D. NADO Innovation Awards

Staff Recommendation: N/A.

Suggested Motion(s): N/A