

MINUTES
Board of Supervisors
County of Prince George, Virginia

Pre-Budget Work Session
February 22, 2023

County Administration Bldg. Boardroom, Third Floor
6602 Courts Drive, Prince George, Virginia

MEETING CONVENED. Chairman Donald R. Hunter called a regular meeting of the Board of Supervisors of the County of Prince George, Virginia, to order at 5:00 p.m. on February 22, 2023 in the Boardroom, Third Floor, County Administration Building, 6602 Courts Drive, Prince George, Virginia.

ATTENDANCE. The following members responded to Roll Call:

Donald R. Hunter, Chairman	Present
T. J. Webb, Vice-Chairman	Present
Floyd M. Brown, Jr.	Present
Alan R. Carmichael	Absent
Marlene J. Waymack	Absent

Also present was: Jeffrey D. Stoke, County Administrator; Betsy Drewry, Deputy County Administrator; Julie C. Walton, Deputy County Administrator; and Dan Whitten, County Attorney.

WORK SESSION

Organizational Review and Staffing Level Study – Presentation of Report and Recommendations – Managing Results. Mr. Marv Weidner, Mr. Jeremy Stephens, and Mr. Joel Fleschman of Managing Results, LLC, presented to the Board the results of the Organizational Review and Staffing Level Study. In October, 2022, Managing Results, LLC was retained by the County to conduct an Organizational Review and Staffing Level Study. This follows the development of the County Strategic Plan and the Implementation Plan earlier in the year. The purpose of the study is to review and assess the County’s organizational structure and the appropriateness of staffing levels within the County’s departments and offices. To allow for the use of information and recommendations during the FY24 budget process, the study was divided into two phases with Phase 1 being completed by January 31, 2023, and Phase 2 being completed by November 30, 2023. The population of the County is growing at an unexpectedly fast rate (fifth fastest growing County in Virginia). The County has a sense of urgency to make sure that County services are able to meet the increase in demand, due to population increase, over the next few years. The County has just completed a County Strategic Plan that includes date specific and measurable Strategic Goals. For example, by January 1, 2023, to ensure that the Prince George County government is structured and is able to continue to deliver services to our community, an assessment of the organizational structure and service delivery capacity will be completed. Information is urgently needed to assess the County’s structure and staffing levels to be able to achieve the results in the Strategic Plan and meet the growing demand from a growing population. Departments with direct responsibility to achieve results in the Strategic Plan, and other departments that will be most directly impacted by the increase in demand (Public Safety), have an urgent need to assess their structure and staffing levels so that budget/resource plans can be developed for the next three years. Mr. Brown stated that it was really important to get involved in this Strategic Plan process in order to better understand the best approach to the budget process. County Administration, both structure and staffing, must be assessed to ensure that the organization can provide responsive decision-making, leadership, oversight and accountability to ensure high performance service delivery. The County is growing, and the numbers are changing. Departments have been making their own assumptions about growth, and those assumptions have varied widely. The County and Managing Results must be on the same page and agree as to the sources, numbers and assumptions. Accurate projections of the increases in demand are essential to making sound recommendations for staffing levels and budget requests. The County grew 20% from 2010 to 2020 (35,725 in 2010 to 43,010 in 2020). The growth assumption is that the County will grow at least by 20% from 2020 to 2030. Many believe that once infrastructure projects are complete, growth will exceed 20% over the period from 2020-2030. The following steps were taken to review and assess the

County's organizational structure and the appropriateness of staffing levels within the Phase I County Departments and offices: (1) Project Planning and Management, (2) Confirm Assumptions regarding Growth and the Economy, (3) Offsite Departments' Document and Materials Review, (4) Completion and Review of Departments' Questionnaire Responses, (5) Onsite Departments' Interviews and Dialogue, (6) Completion of Department-Specific Assessment and Recommendations Reports, and (7) Completion of Phase I County-wide Assessment and Recommendations Report. Mr. Stephens gave an outline of the three-phase process. The criteria for a phased approach is for departments to be directly involved in achieving one or more of the goals in the Strategic Plan and for departments most directly impacted by the increase in demand for services, e.g. Public Safety, Social Services. Structure, Management Capacity and Staffing are needed to achieve the department's goals in the County Strategic Plan, achieve the department's goals, and meet the increased demand for services. Organizational structure and staffing should be observable across the major systems and processes of a jurisdiction. Mr. Weidner talked about the initial observations of Prince George County's Organizational Structure. Currently the County has an 'activities-based culture' of getting things done and everyone pitching in to help. There is a history of often waiting on the County Administrator to make a decision that Department Directors and/or others are qualified to make. This results in literally everything having to come through the Administrator. Staff at times does not want to communicate information to the Board either because they feel the Board does not want to know or because there is a fear of being wrong or appearing to have failed. There is a lack of strategic planning and performance measurement. The County has not had what Managing Results would call a 'planning culture', where strategic and operational planning are part of the normal management system and processes. The County Administrator desires to shift the culture to focus on the customer and be planning and performance based. The development of the County Strategic Plan in 2022 and the commitment to achieve specific goals and results for customers was significant. The Implementation Plan lays out the actions the County will take to accomplish each goal over the next several years. A pathway to the future has been mapped. The County Administrator has a desire to align the County budget to the organizational goals thus aligning resources in the budget to the County's priorities and goals. This is the beginning of creating an organizational culture focused on results for customers. A key cultural shift is the necessity for systems as the foundation for a stable organization. The challenge is moving from an 'activities-based culture' to a 'planning and performance culture' that must meet the needs of a growing and ever-changing environment. Activities-based cultures are generally person-driven versus systems-driven. As a result, losing highly competent people in an activities-based culture has a greater impact on the Organization. The nature of roles is changing from being a part of the activities of the department to a function of leadership and management. A key motivator is opportunity to plan and execute for success rather than just get things done or more importantly, not done. The work of Managers and leaders is changing. A primary skill set of leadership is to 'delegate and elevate' within and through their roles. The 'elevate' component is to plan, see the whole of their departments' needs and optimize the processes of their departments to meet measurements of success. This provides clarity around what success looks like. In a planning and performance culture, Department Directors are empowered to make decisions. Departments and Staff are encouraged to share information and make recommendations to the Board. Information is valued whether positive or not. If there is no tolerance for bad news, the ability to improve upon needed customer results is minimal. Departments and the County routinely look ahead, plan to influence the future, measure success using customer-focused results, and tell their story of challenges and success. The vast majority of Phase I Departments do not have a strategic plan or mission statement. The vast majority of Phase I Departments do not have measurable long-term goals. The lack of pro-active planning has created significant opportunity costs for the County. The County Strategic Plan is the first step. Department Strategic Plans are needed to position departments to proactively address emerging issues and trends, signal the direction departments are taking and the strategic goals and operational results customers can expect to experience as a consequence of service delivery, help refine structure and staffing needs based upon delivery of services and results, provide the structure for a performance-informed budget and the foundation for budget decisions, and ensure departments are managing to what will be versus managing to what has been. Performance measures appear in the budget, as required by Finance, but it is broadly reported that those measures are not used for budget or management purposes. A few Phase I County Departments have performance measures that are included in their Annual Report. The majority of performance measures utilized by Phase I County Departments are outputs as opposed to results. Departments are not projecting demand and using demand information to plan for future service delivery needs. Performance measures are not a part of the normal management practice or

culture of the County. You measure performance to have the information needed to make strategic, operational and budgetary decisions and to have the information needed to tell the County's and/or a department's story of challenges and achievements. A realistic set of performance measures are needed for all operational services areas in order to define what success looks like, manage the delivery of services, evaluate the efficacy of service-delivery strategies, structure a department to maximize the opportunity to achieve results, staff a department to achieve desired results, distribute workloads among Staff, manage customer expectations, provide transparency to the public, evaluate performance against customer expectations, and make a compelling case for grant and budget resources when needed. Departments are sometimes structured one way per their Table of Organization but present their budget in a different way. In some cases, a single department will present multiple budgets implying that multiple departments exist. Work within the budget process to make sure the Board's decisions are performance-informed is not yet happening. There is a lack of information with which to make staffing decisions. The essential best practice for budgets is to make resource decisions based on a level of funding to achieve a level of performance. A performance informed budget is needed to link a level of results for customers to a level of service to a level of funding, provide the information needed to stop doing what we don't need to be doing and start doing what we need to be doing, make well-informed trade-off decisions, link expenditures for operational programs to long-term goals across operations, and show where the money is going and what the County and taxpayers are getting for it. A performance informed budget will help the County make well-informed staffing and structure decisions.

Managing Results' staffing recommendations for the next three fiscal years are based on increasing management capacity where obvious gaps exist, common sense, and in some cases, urgent needs that are impacting customers and results. Organizational structures exist and in general are aligned with comparable communities. Organizational structures and their descriptions lack consistency in language, application and scope. Organizational structures and specifically Tables of Organization are very position-focused as opposed to service-delivery focused. With just one or two exceptions, organizational structure is not visible or presented on department web pages, within departmental budget book pages and within departmental Annual Reports. In several instances, departments submit separate budgets for divisions or even other operational areas as if they are separate entities. Managing Results' recommendation is to move Environmental Services into the Building Inspections Division and no longer refer to it as its own Division. In reviewing Environmental Services in other Community Development Departments where we have worked with in recent years, Environmental Services are included as a service within Planning, where the examination of soils, etc., is part of plan reviews. The department's Budget document describes the main purpose of Environmental Services as inspecting septic systems. Environmental Services as a Division suggests it is of equal stature to the Planning and Building Inspections Divisions. It does not compare in terms of size or scope. As noted previously by the Director, approximately 50% of Environmental Services are provided by Building Inspections Staff. In addition, Managing Results' recommendation is to move the GIS function and Staff currently in the IT Department to the CDCC Department. They recommend that the department develop a Table of Organization that communicates the specific service areas within the department (ex: Planning, Code Compliance, Building Inspections, GIS). This allows Staff and others outside the department to see how the department is organized and what services are provided by divisions or programs. They also recommend that the department consistently identify and present itself as ONE department with four Divisions - Planning, Building Inspections, Code Compliance and GIS. In County Administration, Managing Results' recommendation is to establish, fund and hire two full-time Deputy County Administrators. The impact of this will be significant now and for many years in the future. This Recommendation is essential to achieving the goals in the County Strategic Plan, shifting to an organizational culture where departments and the County are routinely looking forward, analyzing trends and issues, and developing well-informed, long-term perspectives for short-term decisions, and aligning the Budget to goals by departments' strategic planning. In addition, they recommend that the department develop a Table of Organization that communicates the specific service areas within the department, including the Administrator's and upcoming Deputy's areas of oversight (ex: Public Safety, Administrative Services, Development and Public Services). This allows Staff and others outside the department to see how the department is organized and what services are provided by divisions or program. For Economic Development, Managing Results' recommendation is that the department develop a Table of Organization that communicates the specific service areas within the department (ex: Economic Development, Tourism, Business Expansion and Retention, etc). This allows Staff and others outside the department to see how

the department is organized and what services are provided by divisions or programs. In Finance, Managing Results' recommendation is to establish a Budget Section within the Finance Department. Responsibilities would include but not be limited to designing and communicating the Budget process, communicating revenue projections and assumptions about the growth rate of the County's population as part of Budget preparation, establishing an annual planning and Budgeting calendar, providing guidance and consultation to departments regarding strategic planning, performance measurement and performance analysis, and establishing regularly scheduled performance reports. In Fire and EMS, Managing Results' recommendation is for the department to create a culture and a structure where all stations, equipment and personnel lie within the line of authority to the Chief. Role clarification is essential and will require best practice change-management strategies to shift the culture while bringing volunteers and paid Staff along with the changes. Managing Results observes that a strategic plan and the process for developing the plan would provide a golden opportunity to bring volunteers and paid Staff into a common vision and direction for the future of the department. In addition, they recommend that they move fire code building inspections from CDCC to the department at the point a Fire Marshall is in place, projected to be in FY27. Also, they recommend that the department develop a Table of Organization that it communicates the specific service areas within the department (ex: Fire Operations, Training, Fire Prevention, EMS). This allows Staff and others outside the department to see how the department is organized and what services are provided by divisions or programs. In General Services, Managing Results' recommendation is to add Refuse Disposal to the Department's Table of Organization. While the County is contracting out those services to a third party provider, it is more important than ever to tell the story of how General Services is providing management and oversight services as part of that arrangement given that two County Strategic Goals are related to trash disposal. They also recommend that the department further develop its Table of Organization so that communicates the specific service areas within the department (ex: Building and Grounds, Fleet Management, Refuse Disposal) This allows Staff and others outside the department to see how the department is organized and what services are provided by divisions or programs. In addition, they recommend that the department consistently identify and present itself as ONE Department with up to three Divisions – Building and Grounds, Fleet Management, and Refuse Disposal. In Human Resources, they recommend that Risk Management formally be added to the department's organizational structure. In the Police Department, Managing Results' recommendation is for the County to transition the Emergency Communications Center into a stand-alone County department within the next five years. They recommend that the department further develop its Table of Organization so that it communicates the specific service areas within the department (ex: Operations, Support, Emergency Communications) and the operational programs or units included within each area (ex: Patrol, Investigations, Animal Services, Internal Affairs, Records Management, etc.) This allows Staff and others outside the department to see how the department is organized and what services are provided by divisions or programs. They recommend that the department consistently identify and present itself as ONE department with up to three Divisions – Operations, Support, and Emergency Communications. In terms of Management Capacity, too often there is a lack of middle or senior management capacity available for management and leadership functions. Senior and middle managers are spending time, often the majority of their time, doing the operational work of supervisors or even line Staff. This lack of capacity has a real impact. For example: Does the County Administrator and Department Directors have the ability to execute the Implementation Plan for the County Strategic Plan? Management functions often neglected as a result include but are not limited to Strategic Planning, Operational Planning, proactive oversight of operational and Staff performance, Regular reporting of results and taking action in response (not just annually), submitting budgets that tell taxpayers what they are getting for their money, Succession Planning, and creating and sustaining key partnerships. They recommend two Deputy County Administrators to develop capacity and manageable spans of control in order to achieve the goals in the County Strategic Plan, shift to an organizational culture where departments and the County are routinely looking forward, analyze trends and issues, and develop well-informed, long-term perspectives for short-term decisions, and align the Budget to goals by departments' strategic planning. They recommend one budget manager as an essential investment to the ability of the County to achieve the goals in the County Strategic Plan and ensuring departments and the organization are planning and budgeting forward. In terms of supervision and management in the Utilities Department, they recommend one Utility Supervisor to ensure that the County's utility infrastructure is well maintained and so the Director can focus on management and leadership. In Community Development, they recommend one Planning Manager to create the capacity to supervise and manage the County's planning services to meet

and manage increases in population and demand for services, as well as provide the Department Director with time to oversee the department's operations. They also recommend one Building Inspector/Code Compliance Staff to increase the capacity of the Building Inspections Division to keep up with the increased demand for service. They recommend one Building and Grounds Manager to create the capacity to manage the Building and Grounds division, as well as provide the Department Director with time to oversee the department's operations and proactively plan for the future. In Social Services, they recommend a part-time Administrative Assistant to specifically support the Director so she can focus on management and leadership of the department. In Economic and Development and Tourism, they recommend one full-time Administrative Support position to provide dedicated support to the department so it can keep up with service delivery in the face of increasing demand.

Staffing levels and budget discussions are most often about what staff positions departments believe they need. Because departments do not have strategic plans with date-specific and measurable long-term goals as well as operational performance measures, it is difficult for departments to speak to what they are aiming to accomplish and why. 'To provide additional or expanded services' or 'we need more people because we are busy' is not enough. In the absence of performance information, cost has become the main factor in resource/budget decisions. As demand increases and resources stay steady, efficiency increases, but what does 'doing more with less or the same' have on the customer and how they experience County services? There are several key gaps and/or vacancies that exist within a few of the Phase I Departments. In several departments, the County is noticeably below the staffing levels of other Virginia Counties that are of similar size and pace of population growth. In Community Development, Managing Results' recommendation is to create the capacity to supervise and manage the County's planning services to meet and manage increases in population and demand for services, as well as provide the Director time to oversee the department's operations: Planning Manager – FY24; 1 Long Range Planner – FY24; 1 Land Use Planner – FY24; 1 Part-time Environmental Staff – FY26; and 1 Building Inspector/Code Compliance Staff– FY26. In County Administration, they recommend to establish, fund and hire two full-time Deputy County Administrators. The impact of this will be significant now and for many years in the future. This recommendation is essential to achieving the goals in the County Strategic Plan, shifting to an organizational culture where departments and the County are routinely looking forward, analyzing trends and issues, and developing well-informed, long-term perspectives for short-term decisions, and aligning the Budget to goals by departments' strategic planning. In Economic Development, they recommend one Economic Development Specialist position by FY25 to create the necessary capacity within the department to meet increasing demand as a result of completed infrastructure projects and to allow the department to assign personnel to 1) Business Retention and Expansion or 2) Tourism. In addition, they recommend one full-time Administrative Support Position by FY27 to create a dedicated support Staff resource within the department so it can keep up with service delivery in the face of increasing demand. In Finance, they recommend one Budget Manager Position by FY24 to establish a Budget Section, one Grants Coordinator to fund a centralized Grants function to help the department secure non-County funding for essential services and infrastructure, and one Purchasing Part-Time Administrative Assistant to provide additional support to the purchasing function so it can keep up with critical purchasing processes dealing with essential infrastructure and service delivery. In terms of Fire and EMS, Managing Results' recommendation is to add the following paid firefighter Staff to enable the department to achieve its Standard of Cover and meet future demand for services: 9 Firefighters – FY24; 9 Firefighters – FY25; 8 Firefighters – FY26; and 1 Administrative Assistant – FY26. They also recommend to bring into the department the management and training capacity to meet the increase in demand for services, achieve the Standards of Cover, and ensure the safety of firefighters and the community: 1 Fire Training Chief – FY27; 1 EMS Training Chief – FY27; 1 Logistics Chief – FY27; and 1 Fire Marshall – FY27. The recommendation is to add these Staff to Fire and EMS to meet standard response times. However, we also enter a caveat about adding this number Staff at this pace. If the County considers these recommendations for Staff in other departments and weighs how to prioritize all additional Staff against limited resources, it may be necessary to add the additional Staff in Fire and EMS over a longer period and additional fiscal years. An example would be to add the same number of Fire and EMS Staff over five years instead of three. Mr. Webb stated that he read in the report that some of the positioning of the stations do not give you a full 360-degree advantage. Mr. Weidner stated that is correct. One issue that compromises the ability of operations to meet increases in demand for service is the location of some of the stations. Those stations that are located close to the County boundaries are more limited in their range of

coverage than those located back away from the boundaries. The difference is most easily understood thinking about a station located on a boundary having 180 degrees of coverage, while a station located away from a boundary having 360 degrees of coverage. The Chief has indicated in conversation that this should be addressed over time. Managing Results does not have enough information to analyze this further or to make a recommendation. This is an issue that is best addressed in an update of the department's Master Plan following the update of the Comprehensive Plan mid-year 2024. In terms of General Services, their recommendation is to add one additional Staff position to create the capacity to manage the Building and Grounds division, as well as provide the Department Director with time to oversee the department's operations and proactively plan for the future: Building and Grounds Manager - FY24. In addition, they recommend to add one additional Staff position to create the necessary capacity within Fleet Management, once the new County Garage is complete, to work on apparatus in house: Fleet Apparatus Technician - FY24. In FY25, they recommend to create a dedicated resource within Fleet Management who is charged with ordering parts. This resource will allow the Administrative Assistant the ability to remain at the front desk performing her duties (within the new County Garage) and provide the Fleet Manager with time to oversee the Division's operations: 1 Part-Time Fleet Parts Technician - FY25. Within Human Resources, they recommend to add one additional Staff position to create the capacity to thoroughly administer a County Risk Management program: 1 Risk Management position – FY24. In the Police Department, they recommend to add additional sworn front-line Staff to enable the department to achieve targeted minimum staffing of seven per shift on patrol 24 hours a day/ seven days a week, to keep up with increased demand for law enforcement and ensure the safety of officers and the community: 4 Patrol Officers - FY24. In addition, they recommend to add additional communication officers within the ECC to achieve targeted minimum staffing of three per shift at the Emergency Communications Center 24 hours a day/ seven days a week, and continue to deliver timely and quality services in the face of increasing responsibilities and calls for service: 2 Communications Officers - FY24. Also, they recommend to create a dedicated Records Management Staff resource within the Police Department, that will enable the four current Staff providing records management services with the ability to focus on their regular duties: 1 Records Technician Position - FY25. In Social Services, they recommend to add a dedicated part-time Staff resources for the Director: 1 Part-Time Administrative Assistant Position and to add two Benefits Staff by FY24 to increase the necessary capacity within the Benefits Division to keep up increasing workload and demand for services. In terms of Utilities, Managing Results' recommendation is to add additional Staff to achieve daily inspections of water and sewer infrastructure: 1 Sewer Pump Station Mechanic – FY24 and 1 Water Works Operator – FY25. They also recommend adding additional Staff to ensure that the County's utility infrastructure is well maintained and so the Director can focus on management and leadership: 1 Utility Supervisor – FY25 and one Utility Maintenance worker when the current projects are completed in FY26.

Discussion of Employee Compensation for FY2024

Ms. Corrie Hurt, Human Resources Director, gave a review of pay improvement action in FY2023 as adopted in the FY2023 budget and actions on January 1, 2023 for Public Safety. Public Safety employees received a 5% scale adjustment / increase plus step and Career Development if applicable; any employee not eligible for at least a 2% increase received a one-time bonus to equate to 2% of FY22 salary. Social Services & RCJA Employees received higher of Step Placement or 5% increase (state supported). Constitutional Office Employees (funded positions) received Higher of Step Placement or 5% increase on their Comp Board salary; state supported and required to receive increased Comp Board revenues; Circuit Court Clerk employees received an additional \$1,250 {Constitutional Officers – created a step placement with scale minimum being the minimum Comp Board salary and placement based on years in elected office at 65%}. Sheriff Employees received higher of scale adjustment and step increase or 5% of Comp Board salary (if funded position). All other County employees received step placement based on years of service at 65% if less than a 2% percent increase received a one-time bonus to equate to 2% of FY22 salary. Part-time temporary County employees were placed on a step using appropriate grade for their responsibilities and received a pay increase; all PTT were brought to minimum wage if necessary. Effective January 2, 2023, for the Police, a salary comparison was performed and based on comparisons; starting police officer pay was increased to \$53,000, which resulted in a 12.17% scale adjustment to starting pay for all ranks/grades. Full year impact must be budgeted for FY2024 (\$549,160). For Fire and EMS, a salary comparison was performed and based on comparisons, starting pay was increased to \$50,000 for a Medic 1. Changes were made to range spread and grade progressions to be more in line with Police scales.

These revisions resulted in increases for direct response Fire/EMS personnel of 3.86% to 10.74%; average increase was 7.4%. Full year impact must be budgeted for FY2024 (\$173,290). No action was taken for the Sheriff's Office based on results of salary comparison. The salaries were at market. Ms. Hurt talked about other actions that have been taken since the FY2023 budget adoption that will impact/increase the baseline budget in FY2024, including position conversions, certification increases, new hires, and other payroll turnover costs/benefit changes for an additional \$265,788. Similar to January 1 actions taken for Public Safety, there is a need to review positions for all County employees to bring pay ranges and grades up to date from FY18 study. Human Resources polled same localities as those polled for public safety comparisons for all job titles / positions. Not all localities responded and not all have an equivalent position to our locality. The compensation information will continue to be updated annually to keep up with the market changes for all positions (both public safety and non-public safety). Each existing Prince George job title compared against similar titles of other localities {HR Director met with many Directors to ensure "apples to apples" position comparisons were made to the extent possible}. If enough comparison data existed, they looked at an average starting salary compared to Prince George starting salary and appropriate grade placement determined by average starting salary. The recommended grade changes considered maintaining integrity of existing separation of workers, coordinators, managers, deputy equivalent and directors {future years may warrant increased separation of grades of senior leadership}; increases were not recommended for every position that was below average in order to maintain integrity of current structure / similar job responsibilities across departments. Some results led to recommendations for reclassifications of certain positions not requested in department budgets. There were 109 positions compared to the neighboring localities. Seventy-three positions were below market by an average of 14% {on average, those non-public safety positions, which are below market, are more below market than police officers were – 12.17%}. Two positions were at market. Thirty-four positions were above market by an average of 6%. No grade decreases were recommended. As employees vacate positions that are above market, we will review the market at that time to determine if a lower grade is appropriate before advertising vacancy. Ms. Hurt stated that before we talk about price tags, it is important to look at our economy and actions other localities have taken and are taking. Mr. Webb stated that every taxpaying citizen is being effected by the economy. He does not think it is right to justify any pay increase based on the economy. Ms. Hurt stated that their biggest focus is on the market and not inflation. She shared the compensation strategies of Petersburg, Hopewell, Colonial Heights, Dinwiddie, Henrico, Hanover, Chesterfield City of Richmond, Powhatan, Goochland, Emporia, James City County, New Kent, and Isle of Wight. The inflation rate was 4.7% in 2021, at 8.0% in 2022, and 6.4% in 2023 (as of February 14). In 2018 when the compensation study was done, inflation was only at 2.49%. Social Security provided an 8.7% increase on January 1, 2023. The VRS retiree increases are 5% for Plan 1 retirees on July 1, 2023 and 3% increase for Plan 2 and Hybrid retirees. Historically, this is the highest increase in 40 years. The Governor is recommending a 5% increase for state and state-supported employees and the House and Senate are considering a 7% increase for state employees and state-supported, local employees. The Superintendent's proposed Prince George County Public Schools budget contains a 6% increase request for all employees. This makes doing less for non-state supported employees inequitable. They are recommending to eliminate grades 305-307 which will make grade 308 the new lowest grade at an hourly rate of \$15.63. This will exceed the minimum wage requirement slated to be in effect for January 2026 and put the County in a good position. There are only four positions currently in grades 305-30.

Ms. Betsy Drewry, Deputy County Administrator, Finance, went over Staff recommendations in priority order. They recommend to provide all employees (both public safety and non-public safety) step increases that will bring their experience through 6/30/23 (and provide 14 police officers with career development increases). They recommend to provide required Constitutional Officer (Comp Board Funded positions) and DSS / RCJA State-Supported Pay Increases (estimated at 7%) – MANDATED. In addition, they recommend to provide any employee receiving less than a 2% increase a one-time bonus to bring raise + bonus to 2% of FY23 salary. The cost is \$656,388, incorporating any state revenue increases from required increases for state-supported and Comp Board funded positions (General Fund \$553,571). She showed the comparisons for the Comp Board funded positions from the step to the mandate. All of those employees will get a higher raise than the other non-public safety Staff if we only do the step. In addition to the increase effective January 1, 2023, the Police will receive another 1.7% and Fire and EMS will receive another 1.79%. To just do a step, all other County employees, including non-Public Safety and Constitutional Office employees who are not Comp Board

funded will receive an average of 3% (total of \$267,050), which is not equitable to action taken for public safety employees and state mandated employees. They are recommending to place positions that are below market (study results) on higher grades to bring to the market average (what was done for public safety on January 1). The cost is an additional \$782,963 (General Fund \$675,206). The average pay increase is 9.68% (this makes our salaries competitive, and is more equitable) – average percentage considers highest % increase (study regrades and state mandated); average still less than what police officers received on January 1, 2023 (12.17%). This would reduce one-time bonus cost to \$7,896 (General Fund \$7,693), and reduce number of employees needed one-time bonus to 11 from 26 {15 employees slated to receive bonus if only step increase provided are below market-salary range too low}. Staff recommendation is to provide these increases prior to considering adding any additional Staff. Department Requests and Finance Trend Review in Part-Time Wages show a net reduction in the General Fund of (\$49,530) as a baseline reduction (FY2023 to FY2024). Staff recommends providing a step increase and market regrades (if approved) to Part-Time Temporary employees (PTT) also (same as what is approved for full-time Staff) Step Increases for PTT Employees would add \$17,646 in General Fund {bringing overall reduction in part-time wages listed above down to (\$31,884)} and Market Regrade Increases for PTT Employees would add another \$25,603 {bringing overall reduction in part-time wages listed above down to (\$6,281)}. Department Requests and Finance Review suggest increases to General Fund Overtime wages are necessary at \$155,223 (mostly attributable to needed increases in Fire/EMS and Police compounded by hourly rate increases approved January 1, 2023). A step increase would create an increase of \$3,457 in General Fund {Total OT Increase would be \$158,680}. Market Reclassifications would add another \$8,067 to General Fund Costs {Total OT Increase would be \$166,747}. Board Employees are not on a pay range and under contract (County Administrator, County Attorney, and Clerk to the Board) – Board must decide what increase to provide these positions. They must consider that the County Attorney contract does not specifically speak to salary increase methodology, but states “The County Attorney shall be a full-time employee and shall be entitled to the same benefits as other full-time employees.” We must place these employees on a “grade” that allows for appropriate structure based on the levels of responsibility at the same time providing enough separation from positions who report to them {County Administrator}. Further discussion should occur in closed session with the Deputy Director of Finance and the Human Resources Director. Costs that have been provided do include some level of increase for these three contracted employees. The total cost for the baseline plus a step increase is \$1,668,605.96. To do the market grade increases as recommended would be \$2,377,482.06.

ADJOURNMENT. Mr. Brown moved, seconded by Mr. Webb to adjourn to February 28 at 5:00 p.m. Roll was called on the motion.

On roll call the vote was:

In favor: (3) Hunter, Webb, Brown

Opposed: (0)

Absent: (2) Carmichael, Waymack

The meeting adjourned at 7:33 p.m.

[Draft Minutes prepared March 2, 2023 for consideration on March 14, 2023; adopted by unanimous vote.]

Donald R. Hunter
Chairman, Board of Supervisors

Jeffrey D. Stoke
County Administrator